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SUBJECT: CHEMICAL WEAPONS CONVENTION (CWC): WRAP-UP FOR
WEEK ENDING OCTOBER 20

This is CWC-97-06.

ARTICLE VII

¶1. (U) Facilitator Marten Lak (Netherlands) held two consultations on his draft EC-47 report language. The first session on October 5 introduced the draft and invited general comments. Other than Sudan, all delegations that spoke supported the basic thrust of the draft. Sudan asked that the facilitator gut the language in paragraph 4, the meat of the document, but other attendees requested that the draft remain as presented for now. Japan requested that language be inserted that referred to the UN Security Council or the 1540 Committee. The UK noted that several elements needed to be strengthened. Neither India nor Iran presented informal views on the document, saying that as it had only been received that morning, they had not had time to review it.

¶2. (U) After Onate presented the final version of the Article VII Progress Report on October 19, facilitator Lak opened the floor for a paragraph by paragraph review of the draft decision language. Delegations began with the first three paragraphs, with Germany commenting that the phrase "all States parties concerned had now provided information on the steps they are taking, on the difficulties they are encountering, and on any assistance they might need" was misleading and the word "and" should be changed to "and/or."

¶3. (U) With respect to paragraph 4, several delegations noted that elements of paragraph 2 were duplicated in 4a and advised the facilitator that the intent was fine, but the draft should not repeat elements. Mexico noted that it would be difficult for the Executive Branch to influence the work processes of the Legislative Branch, so that the phrase "to seek to expedite" was not acceptable. Several delegations suggested alternative language -- Turkey: "to seek to explore legislative measures to assist implementation of the Convention," and the UK: "to seek to expedite, in accordance with its constitutional processes,..."

¶4. (U) Iran noted that the centerpiece of the draft was the extension of the follow-on plan for another year. Although without instructions, Shahrokh Shakerian, supported by India

and South Africa, noted that his personal view was the plan should not/not be extended. If it were to be renewed, the proposed recommendations for CSP-11 could not include any new elements (such as the new reporting designations for the status of legislation: draft, in Parliament, enacted). Shakerian also noted indirectly that the Japanese request for a reference to 1540 was not successful last year and would not make the cut again this year. Finally paragraph 4 goes beyond the follow-on plan elements and is unacceptable as it stands. South Africa added that if the plan is to be extended, the decision should consist of one simple paragraph stating that it is to be extended. Nothing more.

¶5. (U) Finally, delegations commented briefly on paragraphs 5 to 8, with Legal Advisor Onate noting that it would be too difficult for the Technical Secretariat to prepare progress reports for every EC session. Status changes slowly, so the reports would not change substantially. Japan noted that it would welcome more frequent reports, but that if it were too difficult for the TS, Japan could accept reports in June and in October. The facilitator noted that he would make a few changes to his draft that would next be considered on November 2.

BUDGET

¶6. (U) Budget consultations were held on October 17 to discuss the core objectives of the proposed 2007 budget and the Medium-Term Plan (MTP), EC-46/S/4 dated 3 July 2006. The first intervention was made by Iran, who stated that their position on the core objectives has already been addressed in prior consultations. With regard to the MTP, Iran asked that

references to international organizations, such as the UN, be omitted from the text, arguing that the OPCW does not define its role as a result of UN policies. Iran said that they had little information on the 2005 assistance and protection exercise organized by NATO in Ukraine, therefore text referring to the exercise should be deleted. Curiously Iran also asked that the reference to compliance with CW destruction deadlines being a topic for discussion at the Second Review Conference be omitted because the destruction deadline is too far away. India supported all of Iran's proposed changes to the text.

¶7. (U) With regard to OCPF inspections, India stated that the issue is still being discussed, and asked the TS delete all text in the MTP referring to an increase in OCPF inspections. Iran asked that the MTP focus on risk assessment regarding inspectable Schedule 3 and OCPF sites. India commented that the MTP includes many conclusions made by the TS that have not yet been decided among SPs.

¶8. (U) Co-facilitator, Walter Leon (Belgium), noted that the MTP is a background paper prepared by the TS and used to develop the budget. The UK commented that the text of the MTP document has not been negotiated in previous years, as it is not intended to represent the view of SPs. Italy and Japan supported the UK's statement, drawing attention to the first paragraph of the MTP, which clearly states the purpose and limitations of the document as it relates to the budget. The TS explained that during the EC, States Parties are asked to

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either "receive" or "note" the document.

¶9. (U) Germany asked the TS to define the parameters of "voluntary contributions," which is repeated several times in the text.

¶10. (U) No further comments were made on the core objectives of the proposed 2007 budget. The next consultation will be held on October 20 and will focus on ICA funding levels. As a result of significant pushing from the del, the co-facilitator circulated at the end of the meeting draft decision text (e-mailed to ISN/CB on 10/19/06) on the budget.

Del believes that all of Washington's objectives are met in the draft decision text, but that Iran and India will seek significant changes to the decision.

¶11. (U) Budget consultations were held on 20 October to discuss concerns about the level of funding for the International Cooperation and Assistance (ICA) Program in the 2007 proposed budget. John Makhubalo, Director of ICA, was present answer questions regarding the ICA division. Makhubalo began by outlining the function of the ICA division, which offers support to SPs in implementing Article VII obligations, supports measures to improve assistance and protection against chemical weapons, and promotes programs related to the peaceful use of chemistry. Co-facilitator, Hela Lahmar (Tunisia) noted that in prior consultations, some delegations expressed concern with the low level of ICA funding, and asked that those delegations with concerns provide tangible proposals for the TS to consider.

¶12. (U) India was the first delegation to intervene noting a major reduction in support for capacity building since 2005, and asked the TS to return funding levels to that of the 2005 budget. Budget chief Rick Martin pointed out that the significant increase in the capacity building budget in 2005 was not budgeted but rather the result of transferring money from other parts of the ICA budget to capacity building. The TS also noted that the proposed budget for capacity building is a 4.8% increase from 2006. India said that they still would like to see an increase of 70,000 euros in the capacity building budget.

¶13. South Africa stated that they were also in favor of increasing funding for ICA, noting that the overall current OPCW budget was lower than that of 2006. South Africa asked the TS how many requests were made for assistance compared to how many were actually accommodated. Iran supported the Indian and South African comments, and declared that the TS should be responsible for proposing an alternative budget,

taking into consideration the NAM position.

¶14. (U) The UK asked delegations to keep perspective on the zero nominal growth budget, commenting that funding levels should not be dramatically increased in any division. The UK stated that ICA funding levels had, in fact, increased for ¶2007. Canada further noted that prior to 2005, the funding level for ICA was always around 5% of the total budget, and for 2007, the proposed ICA funding level is 7%, showing a moderate increase. Canada also stated that the focus of ICA should be on the quality of programs, not on the quantity, and expressed full support for the proposed budget.

¶15. (U) Germany, China, and Switzerland agreed that the focus should be on the quality of ICA programs, not on the quantity. China asked the TS to produce a document assessing the quality of ICA programs. Iran pushed back stating that quality and quantity are not contradictory, and increasing the quality of programs can be achieved through increasing the quantity. India supported the Iranian comment.

¶16. (U) Australia stated that their delegation fully accepted the ICA budget. Australia said that they would consider alternative proposals, provided they are presented in the near term, noting that EC-47 is quickly approaching. Australia also argued that it would not be appropriate for the TS to prepare another proposal because support for the current budget was clearly divided. South Africa countered Australia's comment noting that SPs did not propose the current budget, therefore, they should not prepare an alternative, and the TS should be responsible. Germany, in a heated intervention, stated that the TS must have some indication from those SPs concerned on what to change in order to prepare a counter-proposal.

¶17. (U) South Africa responded by requesting that funding levels for several ICA programs be increased: the Equipment Exchange Program, the Associate Program, the Laboratory Assistance Program, and the Program for Support of Research

Projects. The South African delegate suggested that the budget surplus be used to fund these programs. Iran stated that the TS has given some indication that manpower in the ICA division is a problem and suggested that manpower be increased, which would theoretically increase the number of programs that ICA would be able support.

¶18. (U) The TS responded to the South African proposals by explaining that the Equipment Exchange Program is primarily funded by the EU. With regard to the Associate Program, the TS stated that it is not an issue of manpower as facilities

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are unable to accommodate more than twelve people. The TS noted that the ICA division has yet to reject assistance to any laboratory request under the Laboratory Assistance Program, and if applications increase funding could be an issue. However, to date the program was funded appropriately. In addressing the Internship Support Program, the TS responded that some laboratories have an intense workload and can just not accommodate interns. The TS also noted interns must find accommodations on their own, which is difficult, and often reduces a potential intern's interest in the program.

¶19. (U) As major contributors to the OPCW budget, the UK, Japan and Germany stated that they were in favor of retaining a zero nominal growth budget. Germany stated that because the budget is zero nominal growth, in order to increase funding in the ICA division, a decrease must occur within another division. Germany suggested that all SPs return to the priorities of the Convention, CW destruction and non-proliferation.

¶20. (U) The co-facilitators stated that they would prepare a draft decision on the 2007 Program and Budget, which has since been placed on the external server. The next consultation will be held on October 26 to review the draft decision. At that consultation, the NAM will likely continue to push for increased ICA funding and a reduction in OCPF inspections. WEOG is likely to remain united in opposing any increase in ICA, at least until it becomes clear that that

there will be no reduction in OCPF inspections.

OPCW OFFICE IN AFRICA

¶21. (U) The Open Ended Working Group on establishing an OPCW Office in Africa met on October 17. It was a widely attended meeting, however only four or five countries from Africa attended (most notably, Algeria, South Africa, Cameroon, Sudan), which was unusual in that this consultation usually generates a large number of African delegations.

¶22. (U) The Director General opened the meeting by reaffirming his commitment to toward a thorough consideration of an OPCW Office in Africa. He asked delegations to bear in mind the financial commitment in their deliberations on the subject. The facilitator, Andres Rugeles (Colombia), reviewed his statement at EC-46 and noted the meetings he had held since then, with the UN, the Africa Group Ambassadors and their alternates. He presented his paper, which proposes setting up an office within the UN Regional Center for Peace and Disarmament in Africa (UNREC), which is based in Lome. He noted there is a political benefit to the OPCW of such an arrangement, through the use of UNREC's network of contacts. Legally, all OPCW mission personnel would be covered under previously established UN privileges and immunities.

¶23. (U) Financially, beyond actual costs (gas, phones, etc. there would be no additional costs. The TS personnel involved would be already hired staff taking on this new responsibility. There would be no/no new TS positions for this specific task. He also noted that UNREC would benefit by gaining a higher profile with OPCW activities. Further, his paper indicates an office in Africa would not be a

permanent office, but would be staffed for short term visits by a "Rolling Liaison Office."

¶24. (U) The facilitator went over his paper, which had three key proposals. First, there would be within the TS a representative for Africa who would coordinate OPCW activities in Africa. Second, there would be an OPCW African Task Force (again, drawn from existing staff) to further enhance OPCW activities in Africa. Finally, there would be a TS "Rolling Liaison Office" which would be activated for

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fixed periods of time to implement the programs of the Task Force and TS, work with the AU and/or UN and promote cooperation and joint activities.

¶25. (U) The U.S. requested further information on the UNREC office, logistical information related to current staffing, size of office, and location. The facilitator said he would find that information. The U.S. also asked to see UNREC's calendar of events for the past two years in order to ascertain the current profile of the UNREC. Delegations were generally supportive of the facilitator's idea. However Iran did not agree and initially was especially concerned about the Africa office effort becoming involved with the UN. (Note: They struck the same chord during discussions of NATO involvement in the Joint Assistance Exercise 2005 in Kiev last year and recently during discussions of report language which noted NATO's involvement in JAE 2005.)

¶26. (U) Sudan, on behalf of the Africa Group, noted their dissatisfaction with the facilitator's idea. They were concerned that Lome was too remote, and requested that the facilitator explore Addis Ababa in the same manner as he did Lome. They further suggested if Addis would not work to look at other countries in the region. They were not supportive of the facilitator's proposal of a "rolling liaison office" which would not have a permanent location. They were clear in their determination to have a permanent office in Africa. South Africa echoed these sentiments, further noting that some basic issues need to be decided before going into the weeds on the details. Constantly looking at various alternatives and then generating numbers would lead to an endless process of churning with no progress.

¶27. (U) Iran then proposed that the facilitator return to the one concrete proposal on the table: the African Group's request for a permanent office in Addis. The facilitator replied that he had put forth his proposal for how to proceed. Avoiding a direct conflict with the African delegations, he did say that he would continue to explore the Addis option as well as other options. However, he added, it would be with little support from the African Union, which gave lip service to offering assistance, but could give no substantive help.

¶28. (U) All delegations noted the need for more time for capitals to review the facilitator's proposal. It was clear to delegations that the facilitator plans to use the basic framework of his proposal as the basis for further work. The facilitator said he will look at Addis, get more clarification for his current proposal and will obtain the information requested by the U.S. on the UNREC office in Lome. All documents referenced above were faxed to ISN-CB on October 18.

UNIVERSALITY

¶29. (U) Consultations were held on universality on October 19. The consultation was almost as interesting for what was not mentioned as what was discussed. Facilitator Said Moussi (Algeria) did not ask the TS to provide delegates a rundown of recent universality-related activities, as is usually done, before beginning a discussion of draft decision language on universality for CSP-11. This may have been

because Algeria had asked the TS just a day earlier to cancel the universality workshop scheduled to take place in Algiers on November 13-14. Apparently Algeria asked to cancel the workshop after the TS refused to fund large numbers of African delegates to attend the workshop. Many within the TS told del rep privately that they were frustrated with Algeria's decision, especially after Algeria had aggressively pushed the TS to hold the workshop in the first place.

¶30. (U) The discussion of the draft universality began with Iran questioning if there was a need for CSP decision language and any reference to the action plan given that the action plan approved at the CSP-10 runs until CSP-12. The UK and Japan said that they still favored language that made a specific reference the universality action plan. Mexico and Colombia called for dramatically shortening the text. Del rep said that we could consider shortening the text, but would need to ensure that the text retained its balance, especially as last years text was carefully negotiated. Italy supported the U.S. The Netherlands said that since the number of SPs was now at 180, the goal should be increased. The TS suggested that 184 would be a more realistic target.

¶31. (U) France, Germany, Russia, and Iran said that they would be satisfied with report language and did not see a compelling need for decision text, as report language would suffice. Only Iran seemed to have a strong view on the

matter. The U.S., Mexico and Italy asked if simply drafting report language would demonstrate the same commitment to universality as decision text.

¶32. (U) In the end, all delegations indicated that they could go along with decision language and Malik Ellahi, Government Relations and Political Affairs Branch chief, was tasked with redrafting a more concise draft that would include all of the key elements present in the current draft. The facilitator said that he would hold another consultation on the matter after the EC, noting that delegations still had a fair amount of time before the CSP.

REPAYMENT PLANS

¶33. (U) Consultations were held on October 18 to review the revised draft decision document (dated 9 October 2006) on creating a repayment mechanism for those SPs in arrears. Approximately, 10 delegations were present for the

consultation. The UK was the first to intervene noting that the draft decision still links voting rights to the payment plan. The UK stated that they would prefer no reference at all to voting rights in the document, but if others insisted on retaining OP 6 (c), the reverse must also be noted - that those SP who default in the repayment plan should have their voting rights suspended. Germany and Japan supported the UK comment, noting that a link between voting rights and the payment plan should not exist. The facilitator proposed doing a paragraph-by-paragraph review, beginning with the pre-ambular text, in order to address all concerns in a structured approach.

¶34. (U) Iran stated that "Article VIII, paragraph 8" is mentioned twice in the pre-ambular text (PP2 and PP6), making it very repetitive, and requested one of the references be deleted.

¶35. (U) The UK asked the TS to clarify OP 2 so that it reads "all SPs", not just those in arrears as of CSP-11. The UK stated that OP4 essentially repeats OP2 and suggested combining the two. Iran said that OP2 needs some "streamlining" to retain the element of encouragement, but they consider it to be an introduction for OP4 and see no benefit in combining the two. The UK asked that OP 4(a) read, "submit a request that includes an explanation of the reasons for the arrears and the reasons for a multi-year payment plan." Iran commented that a SP should not need to

give an outline or explanation. The UK stated that this was a red-line for them because they must know why a SP fell into arrears in order to justify to their capital that repayment plans and the eventual return of voting rights be approved. The U.S., Japan, France and Turkey supported the UK's proposed changes and rationale. Iran stated that they would prefer to delete OP 4(A), but because this text is a red-line for others, they would report back to capital for consideration of this issue in future consultations.

¶36. (U) Iran requested that OP9 be deleted, commenting that such administrative details should be worked out between the OPCW and the SP in arrears. No delegations offered support for this proposal.

¶37. (U) In working with the current text regarding voting rights and the payment plan, Germany proposed inserting language into OP 11, which would read, "If a State Party does not meet the terms of the agreed multiyear-repayment plan, this plan will cease to apply with immediate effect, and if applicable, the restoration of voting rights will cease to apply with immediate effect in accordance with Article VIII, Para 8." Most delegations generally supported the German proposal.

¶38. (U) The facilitator stated that he would continue with bilateral consultations before revising another draft decision, and as soon as the new document is drafted, it will be placed on the external server. On October 20, the new draft was put on the external server and FAXed to ISN/CB. Del would appreciate further guidance in advance of the next and final consultation scheduled for October 26.

CONFIDENTIALITY

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¶39. (U) Consultations were held on October 18 on establishing Guidelines for long-term handling of confidential information. This was a lightly attended meeting and only three delegations took the floor to speak (Switzerland, France and Iran). Isaac Minta from the Legal Affairs Office (LAO) of the TS presented a paper denoting the findings of his office on the issue of ownership of information (this paper has been FAXed to ISN-CB). The LAO findings say that,

- 1) the legal status of confidential information is the same for any medium;
- 2) ownership of said information is in two parts -- information produced by the OPCW is owned by the OPCW, and information produced by States Parties is owned by the states

and subject to their domestic laws; and

- 3) compared with other international organizations -- the question of ownership do not feature prominently, if at all, in any of the information received from the UN, IAEA, World Bank, NATO or the OECD. There was no discussion of this document.

¶40. (U) Facilitator Betsy Sanders (U.S.), suggested the TS prepare draft destruction regulations, which would provide structure to the future debate, followed by a draft decision. The facilitator asked delegates for their thoughts and for ideas on the way forward. Switzerland supported her proposal; he requested that the wording be simple and to the point. He noted in Switzerland most information is kept 10 years, though more important documents are kept longer. The French also supported the facilitator's proposal, but asked that "classified" be changed to "protected" where it shows up.

¶41. (U) Iran chose to be obstructionist at every turn, noting it was too soon to begin debate on any TS draft regulation, emphasizing many open questions remained and delegations needed to continue open debates on these issues. Iran further stated there is no rush; delegations need not continue the debate until after the CSP. Iran also publicly disagreed

with Minta's assertion that the OPCW Policy on Confidentiality gave the DG authority to draft regulations,

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but that the DG welcomed State Party input on issues such as length of retention. The facilitator agreed no further meetings would be held until after the CSP when she hoped to discuss a TS draft with proposed destruction regulations. This was supported by Switzerland, France, and the TS.

¶42. (U) The Netherlands dropped a non-paper with facts about how they handle confidential information. There was no discussion of this document (has been FAXed to ISN-CB).

NIL DECLARATIONS

¶43. (U) During the last consultation on late declarations, there was strong support for development of a draft decision to implement "nil declarations". Facilitator Larry Denyer (U.S.) has prepared draft decision text and forwarded it to the TS for distribution to delegations. (Sent back on October 20.) This will be the focus of the next consultation on November 3.

SECURITY AUDIT TEAM

¶44. (U) SAT IV agreed to recommend provisional authority to load electronic declaration data onto the Verification Information System (VIS)-Industry once finally placed into production. They currently are in the process of migrating Schedule 1 data to the new database, and should be able to announce to the EC that the VIS-Industry is open for in-processing of electronic files.

¶45. (U) The team indicated to the DG that because they were not able to evaluate the redaction and exportation methodologies to be used by the VIS-Industry, they were not comfortable in granting permission for the OPCW to export electronic data to be exchanged with State Parties. They were however told that they could continue to export data from their Secure Critical Network to the inspector's laptops as they have in the past in order to continue to perform inspections. The team also had the opportunity to meet with the Deputy DG and out-briefed him in the DG's absence.

¶46. (U) The OPCW and SAT have tentatively scheduled the comprehensive and final system-wide audit of the SCN for March 2007, at which time the audit scope will include an evaluation of the overall health of the SCN environment - including import/export of declarations, declaration processing, document tracking system with full integration with their Electronic Document Management System, Site selection module, and, if ready, the Mission Planning module

(still under development). As a final note, the team will evaluate the status on the ISO/IEC 17799 (now 27000) adoption and implementation of the (Security Framework).

¶47. (U) The team anticipates that the March 2007 audit will conclude the program of work for SAT IV and a new audit team will be constituted - hopefully to include additional members. The SAT has heard that Pakistan had an expert interested in joining the team. The SAT will also select a new chairman, and Mr. Harada has indicated that he would like to be released from the coordinator's charges. Finally, the SAT indicated that one of the members would be made available to answer questions from the EC regarding the audit process, should the DG wish.

¶48. (U) Ito sends.
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